



Highlights of [GAO-05-41](#), a report to congressional requesters

Why GAO Did This Study

American Samoa, a U.S. territory, relies on federal funding to support government operations and deliver critical services. The Secretary of the Interior has administrative responsibility for coordinating federal policy in the territory. Under the Single Audit Act of 1996, American Samoa is required to perform a yearly single audit of federal grants and other awards to ensure accountability.

To better understand the role of federal funds in American Samoa, GAO (1) examined the uses of 12 key grants in fiscal years 1999-2003, (2) identified local conditions that affected the grants, and (3) assessed accountability for the grants.

What GAO Recommends

GAO recommends that the Secretary of the Interior coordinate with other granting federal agencies and the American Samoa government to resolve fire-safety issues that threaten the hospital's continued certification to participate in Medicaid. GAO also recommends that the Secretary coordinate with the other agencies to designate the American Samoa government as a high-risk grantee at least until it has completed all delinquent single audits and to take steps designed to ensure that the American Samoa government completes its overdue, current, and future single audits in compliance with the Single Audit Act.

www.gao.gov/cgi-bin/getrpt?GAO-05-41.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Gootnick, (202) 512-3149, gootnickd@gao.gov.

AMERICAN SAMOA

Accountability for Key Federal Grants Needs Improvement

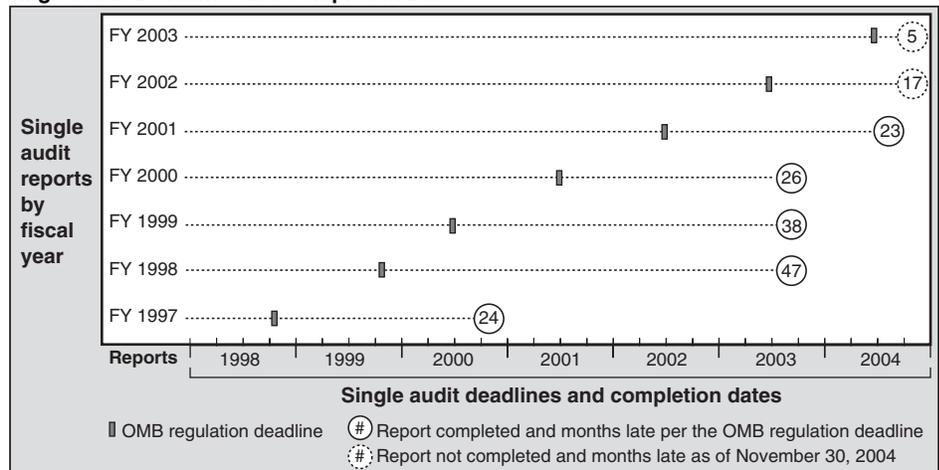
What GAO Found

In fiscal years 1999-2003, 12 key federal grants supported essential services in American Samoa. These services included support for government operations, infrastructure improvements, nutrition assistance, the school system, special education, airport and highway infrastructure improvements, Medicaid, and early childhood education.

A shortage of adequately trained professionals, such as accountants and teachers, as well as inadequate facilities and limited local funds hampered service delivery or slowed project completion for many of the grants. For example, American Samoa's only hospital lacked an adequate number of U.S.-certified medical staff. Further, the hospital had persistent and serious fire-safety code deficiencies that jeopardized its ability to maintain the certification required for Medicaid funding.

American Samoa's failure to complete single audits, federal agencies' slow reactions to this failure, and instances of theft and fraud limited accountability for the 12 grants to American Samoa. The American Samoa government did not comply with the Single Audit Act during fiscal years 1998-2003. The 1998-2000 audit reports, completed in 2003, and the 2001 audit report, completed in 2004, cited pervasive governmentwide and program-specific accountability problems. Despite the audits' delinquency, federal agencies were slow, or failed, to communicate concern to the American Samoa government or to take corrective action. In addition, accountability for all of the grants was potentially undermined by instances of theft and fraud. For example, the American Samoa Chief Procurement Officer, whose office handles procurements for most of the grants GAO reviewed, was convicted of illegal procurement practices.

Single Audit Deadlines and Completion Dates



Source: GAO.